

Friday, 28 February 2025

ASX Aware Letter

Dear Colleagues

Thank you for your letter dated 27 February 2025.

Adopting the paragraph numbering and definitions used in your letter, Australian Clinical Labs Limited (**ACL** or **Company**) provides the following responses:

1. ACL does not consider that any measure of its statutory or underlying earnings for the half year ended 31 December 2024 as disclosed in the Results Announcement differed materially from the market's expectations as noted by the following three base indicators:

1.1

29 August 2024	ACL issued guidance to the market as part of its FY24 results presentation noting estimated revenue for FY25 of \$725M - \$752M and estimated underlying EBIT of \$65M to \$73M.
25 Oct 2024	ACL reaffirmed this guidance as part of its Annual General Meeting presentation, noting underlying EBIT guidance of \$65M – \$73M.
26 Feb 2025	ACL again reaffirmed the same guidance as part of its H1 2025 investor presentation, being revenue of \$725M to \$752M and underlying EBIT of \$65M to \$73M.

1.2

ACL is covered by sell-side analysts, noting that all analyst forecasts were within the ACL re-affirmed guidance range, as shown in the table below:

		Revenue		Underlying EBIT	
		FY25	Within range	FY25	Within range
<i>ACL Guidance</i>		725.0 - 752.0		65.0 - 73.0	
<i>Consensus</i>	Visible Alpha	737.0	Y	70.8	Y
	Bank of America	743.0	Y	70.0	Y
	Citi	739.0	Y	71.0	Y
	E&P	739.2	Y	71.0	Y
	RBC Capital Markets	730.0	Y	69.0	Y
	MST Access	733.0	Y	70.3	Y
	Ord Minnett	740.7	Y	71.7	Y

1.3

Not applicable - Question 1.1 and 1.2 have been addressed above.

2. The basis for the view provided has been covered above, specifically:

2.1

2.1.1 Guidance dates detailed above.

2.1.2 ACL has not varied its guidance and reaffirmed its guidance on 26 February 2025.

2.2

2.2.1 ACL has reviewed sell-side analyst reports and compared them to its current guidance noting that all sell-side analysts forecasts were within ACL's guidance range.

2.2.2 ACL viewed these sell-side analyst reports as being in line with market expectations.

2.2.3 ACL has not varied its guidance and reaffirmed it again on 26 February 2025.

2.3

Not applicable – Question 2.1 and 2.2 have been addressed above.

3. No. Given that ACL has not changed its guidance and continued to re-affirm it, and given that its guidance is in line with sale-side analyst reports, ACL did not expect the release of its half year reports to have a material effect on the price of ACL securities.
4. Refer to response 3 above,
5. ACL has not changed its guidance, therefore no announcements were made in the lead up to our Results Presentation.
6. ACL does not have any other explanation for the trading in its securities following the release of its Results Announcement.
7. We confirm that ACL is in compliance with the Listing Rules and in particular Listing Rule 3.1.
8. We confirm that this response to the ASX has been approved by ACL's Disclosure Committee in accordance with its published Disclosure Policy, under a delegation of authority from the ACL Board of Directors. We further confirm that a copy of your letter has been provided to all Directors.

Yours sincerely



Eleanor Padman
Company Secretary

– ENDS –

This announcement was authorised for release to ASX by the Board of ACL. For further information regarding this announcement, please contact:

Company Secretary

Eleanor Padman

Company Secretary

Email: epadman@padmanadvisory.com.au

Phone: +61 (0) 422 002 918

About Australian Clinical Labs

ACL is a leading Australian private provider of pathology services. Our NATA accredited laboratories perform a diverse range of pathology tests each year for a range of clients including doctors, specialists, patients, hospitals and corporate clients. ACL is one of the largest private hospital pathology businesses nationally. ACL is focused on its mission of combining talented people, and medical and scientific leadership, with innovative thinking and technologies to empower decision making that saves and improves patients' lives.



27 February 2025

Reference: ODIN106648

Ms Eleanor Padman
Company Secretary
Australian Clinical Labs
1868-1892 Dandenong Road
Clayton, Victoria 3168

By email: epadman@padmanadvisory.com.au

Dear Ms Padman

Australian Clinical Labs Limited ('ACL'): ASX Aware Letter

ASX refers to the following:

- A. ACL's announcements released on the ASX Market Announcements Platform on 26 February 2025 in connection with its half year results ('Results Announcements'), being:
 - 1.1 Appendix 4D and 1H25 financial statements released at 9:09am;
 - 1.2 1H25 financial results investor presentation released at 9:09am; and
 - 1.3 Dividend/Distribution- ACL released at 9:10am.
- B. The change in the price of ACL's securities from \$3.70 immediately prior to the release of the Results Announcements to a low of \$2.95 following the release of the Results Announcements.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."
- E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

 - 3.1A.1 One or more of the following 5 situations applies:*
 - *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*

- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- G. ASX's policy position on "market sensitive earnings surprises", which is detailed in section 7.3 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular:

"...If an entity becomes aware that its earnings for the current reporting period will differ materially (downwards or upwards) from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of that fact."...

"...An earnings surprise will need to be disclosed to the market under Listing Rule 3.1 if it is market sensitive – that is, it is of such a magnitude that a reasonable person would expect information about the earnings surprise to have a material effect on the price or value of the entity's securities."...

Request for information

Having regard to the above, ASX asks ACL to respond separately to each of the following questions and requests for information:

1. Does ACL consider that any measure of its statutory or underlying earnings for the Half year ended 31 December 2024 as disclosed in the Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):
 - 1.1 If ACL had published earnings guidance, that guidance.
 - 1.2 If ACL is covered by sell-side analysts, the earnings forecasts of those analysts.
 - 1.3 If paragraphs 1.1 and 1.2 are not applicable, ACL's earnings for the prior corresponding period, being the Half year ended 31 December 2023.

Please answer separately for each measure of earnings referred to in the Earnings Information. In your response, please have regard to ASX's commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how ACL determined market expectations in relation to each relevant measure of its earnings, including:
 - 2.1 If ACL had published earnings guidance, details of:
 - 2.1.1 that guidance and when it was released to the market; and
 - 2.1.2 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.
 - 2.2 If ACL used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:
 - 2.2.1 the method that ACL used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not ACL used a "consensus estimate" or an "adjusted consensus estimate" or a different specified approach for determining this estimate;
 - 2.2.2 the entity's estimate of market expectations using that method; and

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- 2.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.
- 2.3 If paragraphs 2.1 and 2.2 are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, ACL's earnings for the prior corresponding period.
3. Does ACL consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of ACL's securities?
- Please answer separately for each measure of earnings referred to in the Earnings Information.
4. If the answer to question 3 is "no", please provide the basis for that view.
5. If the entity first became aware of the variance before the release of Results Announcements, did ACL make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ACL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ACL took to ensure that the information was released promptly and without delay.
6. Please provide details of any other explanation ACL may have for the trading in its securities following the release of the Results Announcements.
7. Please confirm that ACL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that ACL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ACL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEDT Thursday, 6 March 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ACL's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require ACL to request a trading halt immediately if trading in ACL's securities is not already halted or suspended.

Your response should be sent by e-mail to ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in ACL's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to ACL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ACL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Regards

ASX Compliance